

**INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF POSTGATE'S FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor of Postgate School (the School). The Auditor-General has appointed me, Henry McClintock, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements of the School on his behalf.

**Opinion**

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2022; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime

Our audit was completed on 31 May 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

**Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Board for the financial statements**

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

#### **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.



We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board is responsible for the other information. The other information comprises the information included on pages 1, 20 and 21, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Independence**

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.

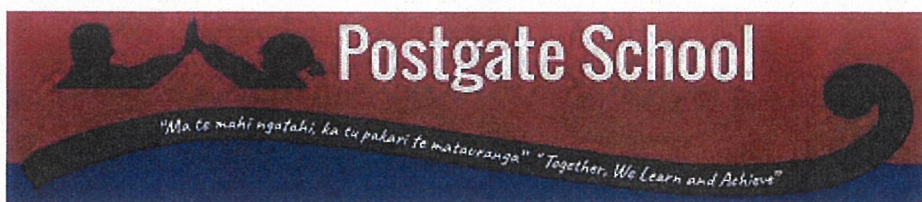
A handwritten signature in black ink, appearing to be 'H. McClintock', written over a horizontal line.

**Henry McClintock**  
**BDO WELLINGTON AUDIT LIMITED**  
On behalf of the Auditor-General  
Wellington, New Zealand

# POSTGATE SCHOOL

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



Ministry Number:	2966
Principal:	Adam Campbell
School Address:	Staites Drive North, Whitby
School Postal Address:	Staites Drive North, Whitby, Porirua, 5024
School Phone:	04 235 9358
School Email:	admin@postgate.school.nz
Accountant / Service Provider:	Accounting For Schools Limited

# POSTGATE SCHOOL

Annual Report - For the year ended 31 December 2022

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# Postgate School

## Statement of Responsibility

For the year ended 31 December 2022

The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

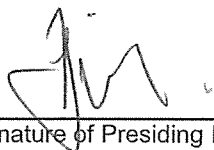
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Tom Peter Arkh

Full Name of Presiding Member



Signature of Presiding Member

Adam David Campbell

Full Name of Principal



Signature of Principal

31 MAY 2023

Date:

31 May 2023.

Date:

# Postgate School

## Statement of Comprehensive Revenue and Expense For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	2,906,585	2,615,384	2,679,483
Locally Raised Funds	3	35,189	59,600	79,349
Interest income		7,405	500	1,740
		<b>2,949,179</b>	<b>2,675,484</b>	<b>2,760,572</b>
<b>Expenses</b>				
Locally Raised Funds	3	21,166	4,500	34,126
Learning Resources	4	2,033,934	1,900,947	2,072,129
Administration	5	211,842	170,532	158,171
Finance		871	453	1,139
Property	6	722,675	564,889	417,193
Loss on Disposal of Property, Plant and Equipment		-	-	631
		<b>2,990,488</b>	<b>2,641,321</b>	<b>2,683,389</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>(41,309)</b>	<b>34,163</b>	<b>77,183</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>(41,309)</b>	<b>34,163</b>	<b>77,183</b>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.

# Postgate School

## Statement of Changes in Net Assets/Equity For the year ended 31 December 2022

Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Balance at 1 January	834,648	834,648	752,749
Total comprehensive revenue and expense for the year	(41,309)	34,163	77,183
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	4,716
<b>Equity at 31 December</b>	<b>793,339</b>	<b>868,811</b>	<b>834,648</b>
Accumulated comprehensive revenue and expense	793,339	868,811	834,648
<b>Equity at 31 December</b>	<b>793,339</b>	<b>868,811</b>	<b>834,648</b>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.



**Postgate School**  
Statement of Financial Position  
As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	1,037,506	528,161	371,440
Accounts Receivable	8	136,272	125,000	127,722
GST Receivable		52,484	15,000	14,646
Funds held for Capital Works Projects	14	15,237	-	47,737
Prepayments		8,557	10,000	11,767
Inventories	9	18,565	20,000	27,459
		<u>1,268,621</u>	<u>698,161</u>	<u>600,771</u>
<b>Current Liabilities</b>				
Accounts Payable	11	386,970	155,750	165,917
Provision for Cyclical Maintenance	12	78,755	85,200	85,200
Finance Lease Liability	13	8,163	8,000	9,883
Funds held for Capital Works Projects	14	470,255	-	-
		<u>944,143</u>	<u>248,950</u>	<u>261,000</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>324,478</u>	<u>449,211</u>	<u>339,771</u>
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	488,495	448,900	511,710
		<u>488,495</u>	<u>448,900</u>	<u>511,710</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	12	11,500	21,300	8,000
Finance Lease Liability	13	8,134	8,000	8,833
		<u>19,634</u>	<u>29,300</u>	<u>16,833</u>
<b>Net Assets</b>		<u>793,339</u>	<u>868,811</u>	<u>834,648</u>
<b>Equity</b>		<u>793,339</u>	<u>868,811</u>	<u>834,648</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes which form part of these financial statements.

**Postgate School**  
**Statement of Cash Flows**  
For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		808,916	662,943	782,815
Locally Raised Funds		34,301	59,600	80,099
Goods and Services Tax (net)		(37,838)	(353)	(10,001)
Payments to Employees		(519,294)	(415,104)	(414,853)
Payments to Suppliers		(248,823)	(182,323)	(299,215)
Interest Paid		(871)	(453)	(1,139)
Interest Received		6,143	500	1,740
<b>Net cash from Operating Activities</b>		<b>42,534</b>	<b>124,810</b>	<b>139,446</b>
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(52,064)	(13,110)	(8,938)
<b>Net cash from Investing Activities</b>		<b>(52,064)</b>	<b>(13,110)</b>	<b>(8,938)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	4,716
Finance Lease Payments		(10,716)	(2,716)	(6,571)
Funds Administered on Behalf of Third Parties		686,312	47,737	(138,919)
<b>Net cash from Financing Activities</b>		<b>675,596</b>	<b>45,021</b>	<b>(140,774)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>666,066</b>	<b>156,721</b>	<b>(10,266)</b>
Cash and cash equivalents at the beginning of the year	7	371,440	371,440	381,706
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>1,037,506</b>	<b>528,161</b>	<b>371,440</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

The above Cash Flow Statement should be read in conjunction with the accompanying notes which form part of these financial statements.

# Postgate School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### a) Reporting Entity

Postgate School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

#### b) Basis of Preparation

##### *Reporting Period*

The financial reports have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

##### *Basis of Preparation*

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

##### *Financial Reporting Standards Applied*

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

##### *PBE Accounting Standards Reduced Disclosure Regime*

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

##### *Measurement Base*

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

##### *Presentation Currency*

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

##### *Specific Accounting Policies*

The accounting policies used in the preparation of these financial statements are set out below.

##### *Critical Accounting Estimates And Assumptions*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

##### *Useful lives of property, plant and equipment*

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 10.

# Postgate School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### *Cyclical Maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 12.

#### *Critical Judgements in applying accounting policies*

Management has exercised the following critical judgements in applying accounting policies:

#### *Classification of leases*

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 13. Future operating lease commitments are disclosed in note 18b.

#### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

### c) Revenue Recognition

#### *Government Grants*

The School receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

# Postgate School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### *Other Grants where conditions exist*

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

#### *Donations, Gifts and Bequests*

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

#### *Interest Revenue*

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

#### **d) Operating Lease Payments**

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

#### **e) Finance Lease Payments**

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

#### **f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

#### **g) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

#### **h) Inventories**

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

#### **i) Investments**

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.



# Postgate School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### j) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

#### **Finance Leases**

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### **Depreciation**

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 - 10 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

# Postgate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### k) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

##### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

##### l) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

##### m) Employee Entitlements

##### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

##### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

# Postgate School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### n) Revenue Received in Advance

Revenue received in advance relates to fees received from students where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

#### o) Funds held for Capital works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

#### p) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The schools carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

#### q) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

#### r) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### s) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

#### t) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

# Postgate School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 2. Government Grants

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	804,241	658,268	773,631
Teachers' Salaries Grants	1,567,274	1,547,677	1,618,983
Use of Land and Buildings Grants	535,070	409,439	286,869
	<u>2,906,585</u>	<u>2,615,384</u>	<u>2,679,483</u>

The School has opted in to the donations scheme for this year. Total amount received was \$50,850 (2021: \$52,350).

### 3. Locally Raised Funds

Local funds raised within the School's community are made up of:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations & Bequests	1,652	20,000	32,431
Fees for Extra Curricular Activities	15,968	15,200	18,436
Fundraising & Community Grants	14	24,000	5,681
Trading	17,555	400	22,801
	<u>35,189</u>	<u>59,600</u>	<u>79,349</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	2,786	4,500	11,735
Trading	18,380	-	22,391
	<u>21,166</u>	<u>4,500</u>	<u>34,126</u>
<b>Surplus/ (Deficit) for the year Locally raised funds</b>	<u>14,023</u>	<u>55,100</u>	<u>45,223</u>

### 4. Learning Resources

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	53,370	51,350	118,912
Library Resources	249	-	1,129
Employee Benefits - Salaries	1,879,108	1,761,677	1,858,223
Staff Development	17,630	12,000	13,716
Depreciation	83,577	75,920	80,149
	<u>2,033,934</u>	<u>1,900,947</u>	<u>2,072,129</u>

# Postgate School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	7,483	7,482	7,264
Board of Trustees Fees	4,574	5,000	5,024
Board of Trustees Expenses	5,966	3,000	2,419
Communication	2,175	2,700	2,165
Consumables	10,196	12,000	8,893
Other	27,070	23,850	26,774
Employee Benefits - Salaries	140,049	101,000	90,332
Insurance	11,367	5,500	4,560
Service Providers, Contractors and Consultancy	2,962	10,000	10,740
	<b>211,842</b>	<b>170,532</b>	<b>158,171</b>

### 6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	21,567	12,500	12,339
Consultancy and Contract Services	-	-	20,723
Cyclical Maintenance Provision	13,300	13,300	(13,682)
Grounds	1,381	3,150	2,597
Heat, Light and Water	14,934	13,500	11,294
Rates	2,370	2,500	2,170
Repairs and Maintenance	46,760	25,500	13,161
Use of Land and Buildings	535,070	409,439	286,869
Security	3,806	2,000	2,312
Employee Benefits - Salaries	83,487	83,000	79,410
	<b>722,675</b>	<b>564,889</b>	<b>417,193</b>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

### 7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	200	200	200
Bank Current Account	157,635	227,961	15,177
Bank Call Account	879,671	300,000	356,063
Cash and cash equivalents for Cash Flow Statement	<b>1,037,506</b>	<b>528,161</b>	<b>371,440</b>

Of the \$1,037,506 Cash and Cash Equivalents, \$470,255 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.



# Postgate School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	888	-	-
Interest Receivable	1,262	-	-
Banking Staffing Underuse	-	-	4,675
Teacher Salaries Grant Receivable	134,122	125,000	123,047
	<u>136,272</u>	<u>125,000</u>	<u>127,722</u>
Receivables from Exchange Transactions	2,150	-	-
Receivables from Non-Exchange Transactions	134,122	125,000	127,722
	<u>136,272</u>	<u>125,000</u>	<u>127,722</u>

### 9. Inventories

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	960	1,000	1,205
Uniforms	17,605	19,000	26,254
	<u>18,565</u>	<u>20,000</u>	<u>27,459</u>

### 10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2022						
Buildings	234,757	-	-	-	(10,271)	224,486
Furniture and Equipment	169,285	14,924	-	-	(27,382)	156,827
Information Technology	66,141	33,920	-	-	(30,150)	69,911
Motor Vehicles	14,556	-	-	-	(2,684)	11,872
Leased Assets	17,785	8,297	-	-	(10,683)	15,399
Library Resources	9,186	3,221	-	-	(2,407)	10,000
Balance at 31 December 2022	<u>511,710</u>	<u>60,362</u>	<u>-</u>	<u>-</u>	<u>(83,577)</u>	<u>488,495</u>

The net carrying value of equipment held under a finance lease is \$15,399 (2021: \$17,785).

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	405,329	(180,843)	224,486	405,329	(170,572)	234,757
Furniture and Equipment	384,163	(227,336)	156,827	369,241	(199,956)	169,285
Information Technology	237,993	(168,082)	69,911	204,071	(137,930)	66,141
Motor Vehicles	26,832	(14,960)	11,872	26,832	(12,276)	14,556
Leased Assets	47,355	(31,956)	15,399	39,058	(21,273)	17,785
Library Resources	20,601	(10,601)	10,000	17,381	(8,195)	9,186
	<u>1,122,273</u>	<u>(633,778)</u>	<u>488,495</u>	<u>1,061,912</u>	<u>(550,202)</u>	<u>511,710</u>

# Postgate School

## Notes to the Financial Statements For the year ended 31 December 2022

### 11. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	193,686	5,000	2
Accruals	5,982	5,750	5,764
Banking Staffing Overuse	16,058	-	-
Employee Entitlements - Salaries	151,274	125,000	123,047
Employee Entitlements - Leave Accrual	19,970	20,000	37,104
	<b>386,970</b>	<b>155,750</b>	<b>165,917</b>
Payables for Exchange Transactions	386,970	155,750	165,917
	<b>386,970</b>	<b>155,750</b>	<b>165,917</b>

The carrying value of payables approximates their fair value.

### 12. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	93,200	93,200	106,882
Increase/ (decrease) to the Provision During the Year	13,300	13,300	13,300
Other Adjustments	-	-	(6,876)
Use of the Provision During the Year	(16,245)	-	(20,106)
Provision at the End of the Year	<b>90,255</b>	<b>106,500</b>	<b>93,200</b>
Cyclical Maintenance - Current	78,755	85,200	85,200
Cyclical Maintenance - Non Current	11,500	21,300	8,000
	<b>90,255</b>	<b>106,500</b>	<b>93,200</b>

Per the cyclical maintenance schedule the school is next expected to undertake painting works during 2023. This plan is based on the schools 10 Year Property plan.

### 13. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	8,899	8,000	10,522
Later than One Year and no Later than Five Years	8,586	8,000	9,064
Future Finance Charges	(1,188)	-	(870)
	<b>16,297</b>	<b>16,000</b>	<b>18,716</b>
Represented by			
Finance lease liability - Current	8,163	8,000	9,883
Finance lease liability - Non Current	8,134	8,000	8,833
	<b>16,297</b>	<b>16,000</b>	<b>18,716</b>

# Postgate School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 14. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Project Number	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$		\$
Refurbish Classrooms 9 & 10	213789	(32,500)	840,114	(337,139)	-	470,255
SIP-Decking/HeatPumps/Windows		(15,237)	-	-	-	(15,237)
Totals		(47,737)	840,114	(337,139)	-	455,018

#### Represented by:

Funds Held on Behalf of the Ministry of Education

470,255

Funds Due from the Ministry of Education

(15,237)

485,492

2021	Project Number	Opening Balances	Receipts from MoE	Payments		Closing Balances
		\$	\$	\$		\$
Refurbish Classrooms 9 & 10	213789	56,132	-	(88,632)	-	(32,500)
SIP-Decking/HeatPumps/Windows		35,050	3,935	(54,222)	-	(15,237)
Totals		91,182	3,935	(142,854)	-	(47,737)

### 15. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

# Postgate School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 16. Remuneration

#### Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal and Deputy Principals.

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	4,574	5,024
<i>Leadership Team</i>		
Remuneration	737,448	714,926
Full-time equivalent members	7	7
Total key management personnel remuneration	742,022	719,950

There are 7 members of the Board excluding the Principal. The Board had held ten full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

#### Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	150 - 160
Benefits and Other Emoluments	-	-

#### Other Employees

The total value of remuneration paid or payable to the other employees was in the following bands:

Remuneration \$000	2022 Actual FTE	2021 Actual FTE
100 - 110	-	1
110 - 120	2	1
	2	2

The disclosure for 'Other Employees' does not include remuneration of the Principal.

### 17. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2022 Actual	2021 Actual
Total	\$10,817	-
Number of People	1	-

# Postgate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 18. Contingencies

There are no contingent liabilities and no contingent assets (except as noted below) as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

In 2022 the Ministry of Education provided additional funding for both the support staff in School's Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is yet to receive a final wash up that adjusts the estimated quarterly installments for the actual teacher aides employed in 2022. The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is confirmed, the amount to be received is not known with a high level of certainty. The School has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

#### Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, through payroll service provider Education Payroll Limited.

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

#### 19. Commitments

##### (a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

(i) \$3,436,924 contract for the Refurbish Classrooms 9 & 10 as agent for the Ministry of Education. This project is fully funded by the Ministry and \$939,164 has been received of which \$1468,689 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2021: \$1,887,419, with \$183,110 received and \$230,847 spent)

##### (b) Operating Commitments

As at 31 December 2022 the Board has entered into no contracts.

(Operating commitments at 31 December 2021: nil)



# Postgate School

## Notes to the Financial Statements For the year ended 31 December 2022

### 20. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	1,037,506	528,161	371,440
Receivables	136,272	125,000	127,722
<b>Total Financial assets measured at amortised cost</b>	<b>1,173,778</b>	<b>653,161</b>	<b>499,162</b>
<b>Financial liabilities measured at amortised cost</b>			
Payables	386,970	155,750	165,917
Finance Leases	16,297	16,000	18,716
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>403,267</b>	<b>171,750</b>	<b>184,633</b>

### 21. Events After Balance Date

There were no significant events after balance date that impact these financial statements.

### 22. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

## Postgate School

### Members of the Board

For the year ended 31 December 2022

Name	Position	How position on Board gained	Term expires
Malissa Gibson	Presiding Member	Re-elected Sept 2022	May 2023
Phil Townley	Presiding Member	Elected	Sept 2022
Adam Campbell	Principal		
Tom Aiulu	Parent Representative	Re-elected Sept 2022	May 2023
Bernadine Conroy/Thomas	Parent Representative	Elected	Sept 2022
Alisha Devoe	Parent Representative	Elected Sept 2022	Sept 2025
Carla Gardiner	Parent Representative	Elected	Sept 2022
Kelvin Harper	Staff Representative	Elected Sept 2022	Sept 2025
Adam O'Hara	Parent Representative	Elected Sept 2022	Sept 2025
Frieda Pitoitua	Parent Representative	Elected Sept 2022	Sept 2025
Hamuera Scott	Parent Representative	Co-opted	Sept 2023
Lady Talaepa	Parent Representative	Co-opted	Sept 2023

## Postgate School

### Kiwisport / Statement of Compliance with Employment Policy

For the year ended 31 December 2022

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2022, the school received total Kiwisport funding of \$4,649 (excluding GST) (2021: \$4,912). The funding was spent on sporting endeavours.

#### Statement of Compliance with Employment Policy

For the year ended 31 December 2022 the Postgate School Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspect of their employment
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and identified best practice.
- Is a good employer and complies with the conditions contained in the employment contract of all staff employed by the Board.
- Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.

## ANALYSIS OF VARIANCE 2022

### Mathematics

2022 Annual Achievement Targets:

1. To have 75% of our Year 7 pupils At or Above the Postgate School Expectation. At the end of 2021, we had 66% of our Year 6 pupils At or Above (23/35)
  - a. End 2022 = 66% (23/35)
2. To have 70% of our Year 1-3 pupils At or Above the PSE. At the end of 2021, 64% of Years 1-3 were At or Above. For our Year 1-53%, Year 2s-69%, Year 3s-71%
  - a. End of 2022 Year 1 – 79%
  - b. End 2022 Year 2 - 71% (were 53%)
  - c. End 2022 Year 3 – 74% (were 69%)
  - d. End 2022 Year 4 – 81% (were 71%)
  - e. Total for Years 1-3 2022 = 74%

### Reading

2022 Annual Achievement Targets:

1. To have 70% of our Year 2s At or Above the Postgate School Expectation. At the end of 2021 this cohort was at 42% At or Above (16/38)
  - a. End 2022 = 50% (19/38)
2. To have 85% of our Year 3s At or Above the Postgate Expectation. At the end of 2021, 75% were At or Above (26/35)
  - a. End 2022 = 82% (31/38)
3. To have 85% of our Year 4s male pupils At or Above the PSE. At the end of 2021, 75% were At or Above (15/20)
  - a. End 2022 = 57% (12/21)

### Writing

2022 Annual Achievement Targets:

At the end of 2021, 64% (68%2020, 70% 2019) of our school were writing At or Above the Postgate Expectation

At the end of 2022, 66% were writing At or Above for Writing

1. Our target is to have 75% of our school, at all Year levels, At or Above the Postgate School Expectation
  - At the end of 2021, the % at each year level was
  - 2021 Year 1 – 63% At or Above
    - End 2022 Year 2 = 45%
  - 2021 Year 2 – 57% At or Above
    - End 2022 Year 3 = 52%
  - 2021 Year 3 - 74% At or Above
    - End 2022 Year 4 = 71%
  - 2021 Year 4 – 71%
    - End 2022 Year 5 = 61%
  - 2021 Year 5 – 65%
    - End 2022 Year 6 = 59%
  - 2021 Year 6 – 67%
    - End 2022 Year 7 = 69%
  - 2021 Year 7 – 63%
    - End 2022 Year 8 = 89%